company all damages for which it should become responsible on a bond to indemnify the plaintiff, before the company was compelled to pay. The plaintiff recovered against the suretyship company on the bond, and in satisfaction of the judgment accepted an assignment of the claim against the re-insurer. *Held*, that the plaintiff can recover on the assigned claim. *MacArthur Bros. Co.* v. *Kerr*, 107 N. E. 572 (N. Y.).

For a discussion of the liability of a re-insurer, see 28 HARV. L. REV. 302. As is there pointed out, if the contract in the principal case required the re-insurer to pay an insolvent re-insured the full amount of a claim, rather than the dividend to which the insured was entitled, it should be void in its inception as against public policy. See *Hunt* v. *N. H. Fire U. Ass'n*, 68 N. H. 305, 309, 38 Atl. 145, 147. Such a construction, however, should not be adopted unless no other would satisfy the terms of the contract. In the principal case, since the agreement does not explicitly require a payment of more than the surety, if insolvent, would have to pay, the result seems correct.

INSURANCE — RE-INSURANCE — MEASURE OF LIABILITY OF RE-INSURER WHEN INSURER INSOLVENT. — An insolvent indemnity company, which had re-insured some of its risks, was unable to pay more than a dividend on losses accruing under the risks re-insured. An order of the court below permitted the receiver to compromise the claims against the re-insurer for less than its unquestioned liability if the original insurer had been able to pay in full. *Held*, that the order was not an abuse of judicial discretion. *MacDonald* v. *Ætna Indemnity Co.*, 92 Atl. 154 (Conn.).

As the solvency of the re-insurer was not denied, the decision must be explained on the ground that the legal sufficiency of the receiver's claim to the full amount of the loss was at least doubtful. This is a noteworthy step toward a desirable result, opposed to the entire current of common-law authority, for the English case on which the court relies was reversed on appeal. *In re Law Guarantee Trust and Accident Society, Ltd.*, [1914] W. N. 291 (C. A.). For a criticism of the prevailing doctrine concerning the liability of a re-insurer, as exemplified by that decision, see 28 HARV. L. REV. 302.

LANDLORD AND TENANT — RENT — LIABILITY FOR RENT AFTER BREACH OF COVENANT BY THE LANDLORD. — The plaintiff leased a room to the defendants to be used as a jewelry store, and covenanted not to rent any other store in the building to a tenant making a specialty of the sale of pearls. In consequence of the violation of this covenant, the defendant quit the premises and refused to pay any further instalments of rent. The plaintiff sues for the rent. *Held*, that the plaintiff cannot recover. *University Club of Chicago* v. *Deakin*, 106 N. E. 790 (Ill.).

The principal case reaches a sensible result and would be beyond criticism if the question could be considered *res integra*. A lease is really a continuing contract, and might well be treated like any other bilateral contract. But covenants for rent in leases are generally regarded as independent, and the tenant is not excused from liability by reason of the landlord's breach of covenant. *Paradine* v. *Jane*, Aleyn 26; *Lewis & Co.* v. *Chisholm*, 68 Ga. 40. The basis for this view appears to be that the lessee has received full consideration by acquiring an estate in the land. *Fowler* v. *Bott*, 6 Mass. 63. Another reason is that the law as to covenants in leases developed long before the contractual theory of implied conditions had been fully worked out. The harshness of the rule has been somewhat mitigated by allowing the tenant to terminate the lease when the premises have become untenantable. *Piper* v. *Fletcher*, 115 Ia. 263, 88 N. W. 380; *Bissell* v. *Lloyd*, 100 Ill. 214. This result has been generally achieved by statute. CONSOL. LAWS N. Y., REAL PROPERTY LAW, § 227; GEN. STAT. MINN., § 6810. But the principle on which the tenant is absolved is not